

## FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::THIRD QUARTER RESULTS

### Issuer & Securities

Issuer/ Manager

**CAPTII LIMITED**

Securities

**CAPTII LIMITED - SG1BA0000004 - AWW**

Stapled Security

**No**

### Announcement Details

Announcement Title

**Financial Statements and Related Announcement**

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**Wong Tze Leng**

Designation

**Executive Chairman**

Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

**Please see attached.**

### Additional Details

For Financial Period Ended

**30/09/2021**

### Attachments

[CL Financial Results Q3 2021.pdf](#)

Total size =250K MB

**CAPTII LIMITED**

(Incorporated in the Republic of Singapore)

(Company registration no.: 200211129W)

**Condensed interim financial statements  
for the Quarter and Nine Months Ended 30 September 2021****A. Condensed interim consolidated statement of profit or loss and other comprehensive income**

	Note	Group		Group	
		Quarter ended 30 September		9 months ended 30 September	
		Q3 2021	Q3 2020	2021	2020
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Revenue</b>	4	<b>5,786</b>	<b>4,980</b>	<b>16,702</b>	<b>15,753</b>
Cost of Sales		(2,991)	(2,288)	(8,431)	(7,705)
<b>Gross profit</b>		<b>2,795</b>	<b>2,692</b>	<b>8,271</b>	<b>8,048</b>
Other Items of Income:					
Interest Income		31	33	97	114
Other Gains		(66)	(112)	77	111
Other Items of Expense:					
Technical Support Expenses		(1,110)	(1,024)	(3,345)	(3,036)
Distribution Costs		(406)	(350)	(1,091)	(1,026)
Administrative Expenses		(575)	(485)	(1,655)	(1,558)
Other Losses		(6)	(644)	(248)	(2,178)
Finance Costs		(21)	(28)	(76)	(93)
<b>Profit Before Income Tax</b>	6	<b>642</b>	<b>82</b>	<b>2,030</b>	<b>382</b>
Income Tax Expenses	7	(182)	(86)	(528)	(435)
<b>Profit/(Loss), Net of Tax</b>		<b>460</b>	<b>(4)</b>	<b>1,502</b>	<b>(53)</b>
<b>Profit/(Loss), Net of Tax Attributable to:</b>					
Owners of the Company		420	(176)	1,255	(616)
Non-Controlling Interests		40	172	247	563
<b>Profit/(Loss), Net of Tax</b>		<b>460</b>	<b>(4)</b>	<b>1,502</b>	<b>(53)</b>

**Other comprehensive income**

	Note	Group		Group	
		Quarter ended 30 September		9 months ended 30 September	
		Q3 2021	Q3 2020	2021	2020
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Profit/(Loss), Net of Tax</b>		460	(4)	1,502	(53)
Other Comprehensive Income:					
Items that may be reclassified to profit or loss in subsequent periods (net of tax)					
Currency translation differences on consolidation of foreign entities (net)		140	371	(502)	9
<b>Total other comprehensive income (loss) for the period</b>		<b>600</b>	<b>367</b>	<b>1,001</b>	<b>(44)</b>
<b>Total comprehensive income/(loss) attributable to:</b>					
Owners of the Company		547	154	816	(607)
Non-Controlling interest		53	213	185	563
<b>Total other comprehensive income (loss) for the period</b>		<b>600</b>	<b>367</b>	<b>1,001</b>	<b>(44)</b>
<b>Earnings per share for profit/(loss) for the period attributable to the owners of the Company during the period:</b>		<b>cents</b>	<b>cents</b>	<b>cents</b>	<b>cents</b>
Basic and diluted earnings per share		1.31	(0.55)	3.93	(1.93)

B. Condensed interim statements of financial position

	Note	Group	Group	Company	Company
		As at	As at	As at	As at
		30/9/2021	31/12/2020	30/9/2021	31/12/2020
		S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Plant and Equipment	12	1,832	2,454	-	-
Investment Property	13	2,273	2,306	-	-
Intangible Assets	11	10,693	10,956	-	-
Investments in Subsidiaries		-	-	34,778	34,778
Other Financial Assets	10	11,769	11,770	-	-
Deferred Tax assets		1,065	921	-	-
Trade and Other Receivables		277	281	-	-
<b>Total Non-Current Assets</b>		<b>27,909</b>	<b>28,688</b>	<b>34,778</b>	<b>34,778</b>
<b>Current assets</b>					
Inventories		4	4	-	-
Trade and Other Receivables		11,525	9,695	10,045	9,446
Other Non-Financial Assets		1,408	2,492	26	5
Cash and Cash Equivalents		13,231	13,147	162	221
<b>Total Current Assets</b>		<b>26,168</b>	<b>25,338</b>	<b>10,233</b>	<b>9,672</b>
<b>Total Assets</b>		<b>54,077</b>	<b>54,026</b>	<b>45,011</b>	<b>44,450</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share Capital	15	31,948	31,948	31,948	31,948
Retained Earnings		18,793	17,937	10,845	9,996
Foreign Currency Translation Reserve		(8,601)	(8,161)	-	-
<b>Equity, Attributable to Owners of the Parent</b>		<b>42,140</b>	<b>41,724</b>	<b>42,793</b>	<b>41,944</b>
Non-Controlling Interest		5,202	5,177	-	-
<b>Total Equity</b>		<b>47,342</b>	<b>46,901</b>	<b>42,793</b>	<b>41,944</b>
<b>Non-Current Liabilities</b>					
Lease Liabilities		439	691	-	-
Deferred Tax Liabilities		6	6	-	-
<b>Total Non-Current Liabilities</b>		<b>445</b>	<b>697</b>	<b>-</b>	<b>-</b>
<b>Current Liabilities</b>					
Income Tax Payables		617	158	-	-
Trade and Other Payables		3,681	3,785	2,218	2,506
Other Non-Financial Liabilities		1,149	1,191	-	-
Lease Liabilities		321	324	-	-
Borrowings	14	522	970	-	-
<b>Total Current Liabilities</b>		<b>6,290</b>	<b>6,428</b>	<b>2,218</b>	<b>2,506</b>
<b>Total Liabilities</b>		<b>6,735</b>	<b>7,125</b>	<b>2,218</b>	<b>2,506</b>
<b>Total Equity and Liabilities</b>		<b>54,077</b>	<b>54,026</b>	<b>45,011</b>	<b>44,450</b>

C. Condensed interim statements of changes in equity

**Statement of Changes in Equity for the Third Quarter ended 30 September 2021**

	Note	Total Equity	Attributable to Parent Sub-total	Share Capital	Retained earnings	Foreign Currency Translation Reserve	Non-Controlling Interests
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Current Quarter</b>							
<b>Group</b>							
Opening Balance at 1 July 2021		47,141	41,992	31,948	18,772	(8,728)	5,149
Total Comprehensive income/(expenses) for the financial period		600	547	-	420	127	53
Dividend Paid		(399)	(399)	-	(399)	-	0
<b>Closing Balance at 30 September 2021</b>		<b>47,342</b>	<b>42,140</b>	<b>31,948</b>	<b>18,793</b>	<b>(8,601)</b>	<b>5,202</b>
<b>Company</b>							
Opening Balance at 1 July 2021		42,468	42,468	31,948	10,520	-	-
Total Comprehensive income for the financial period		724	724	-	724	-	-
Dividend Paid	8	(399)	(399)	-	(399)	-	-
<b>Closing Balance at 30 September 2021</b>		<b>42,793</b>	<b>42,793</b>	<b>31,948</b>	<b>10,845</b>	<b>-</b>	<b>-</b>

**Statement of Changes in Equity for the Third Quarter ended 30 September 2020**

	Note	Total Equity	Attributable to Parent Sub-total	Share Capital	Retained earnings	Foreign Currency Translation Reserve	Non-Controlling Interests
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Previous Quarter</b>							
<b>Group</b>							
Opening Balance at 1 July 2020		44,676	39,993	31,948	16,608	(8,563)	4,683
Total Comprehensive income/(expenses) for the financial period		367	154	-	(176)	330	213
Dividend Paid		(398)	(399)	-	(399)	-	1
<b>Closing Balance at 30 September 2020</b>		<b>44,645</b>	<b>39,748</b>	<b>31,948</b>	<b>16,033</b>	<b>(8,233)</b>	<b>4,897</b>
<b>Company</b>							
Opening Balance at 1 July 2020		42,308	42,308	31,948	10,360	-	-
Total Comprehensive expenses for the financial period		40	40	-	40	-	-
Dividend Paid	8	(399)	(399)	-	(399)	-	-
<b>Closing Balance at 30 September 2020</b>		<b>41,949</b>	<b>41,949</b>	<b>31,948</b>	<b>10,001</b>	<b>-</b>	<b>-</b>

C. Condensed interim statements of changes in equity (continued)

**Statements of Changes in Equity for the nine months ended 30 September 2021**

	Note	Total Equity	Attributable to Parent Sub-total	Share Capital	Retained earnings	Foreign Currency Translation Reserve	Non-Controlling Interests
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Current Period:</b>							
<b>Group</b>							
Opening Balance at 1 January 2021		46,901	41,724	31,948	17,937	(8,161)	5,177
Total Comprehensive income for the financial period		1,000	815	-	1,255	(440)	185
Dividend Paid		(559)	(399)	-	(399)	-	(160)
<b>Closing Balance at 30 September 2021</b>		<b>47,342</b>	<b>42,140</b>	<b>31,948</b>	<b>18,793</b>	<b>(8,601)</b>	<b>5,202</b>
<b>Company</b>							
Opening Balance at 1 January 2021		41,944	41,944	31,948	9,996	-	-
Total Comprehensive expenses for the financial period		1,248	1,248	-	1,248	-	-
Dividend Paid	8	(399)	(399)	-	(399)	-	-
<b>Closing Balance at 30 September 2021</b>		<b>42,793</b>	<b>42,793</b>	<b>31,948</b>	<b>10,845</b>	<b>-</b>	<b>-</b>

**Statements of Changes in Equity for the nine months ended 30 September 2020**

	Note	Total Equity	Attributable to Parent Sub-total	Share Capital	Retained earnings	Foreign Currency Translation Reserve	Non-Controlling Interests
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Previous Period:</b>							
<b>Group</b>							
Opening Balance at 1 January 2020		45,409	40,754	31,948	17,048	(8,242)	4,655
Total Comprehensive expenses for the financial period		(44)	(607)	-	(616)	9	563
Dividend Paid		(720)	(399)	-	(399)	-	(321)
<b>Closing Balance at 30 September 2020</b>		<b>44,645</b>	<b>39,748</b>	<b>31,948</b>	<b>16,033</b>	<b>(8,233)</b>	<b>4,897</b>
<b>Company</b>							
Opening Balance at 1 January 2020		42,449	42,449	31,948	10,501	-	-
Total Comprehensive expenses for the financial period		(101)	(101)	-	(101)	-	-
Dividend Paid	8	(399)	(399)	-	(399)	-	-
<b>Closing Balance at 30 September 2020</b>		<b>41,949</b>	<b>41,949</b>	<b>31,948</b>	<b>10,001</b>	<b>-</b>	<b>-</b>

D. Condensed interim consolidated statement of cash flows

	Note	Group			
		9 months ended 30 September			
		Q3 2021	Q3 2020	2021	2020
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Operating activities:</b>					
Profit Before Income Tax		642	82	2,030	382
Adjustments for:					
Amortisation of Intangible Assets	6	72	118	246	333
Depreciation of Plant and Equipment	6	154	163	471	483
Depreciation of Right-of-use assets	6	85	39	256	108
Loss on Disposal of Plant and Equipment	6	(0)	-	(0)	1
Plant and Equipment Written-Off	6	(0)	-	0	3
Fair Value Loss on Investments	6	-	643	236	2,170
Interest Expense		21	28	76	93
Interest Income		(31)	(33)	(97)	(114)
<b>Operating Cash Flow before Changes in Working Capital</b>		<b>943</b>	<b>1,040</b>	<b>3,218</b>	<b>3,459</b>
Inventories		(0)	(2)	(0)	1
Trade and Other receivables		(788)	201	(1,825)	2,092
Other Assets		117	632	1,084	813
Trade and Other payables		187	(1,055)	(104)	(1,843)
Other Liabilities		(36)	43	(41)	(53)
<b>Net Cash Flows From Operations</b>		<b>423</b>	<b>859</b>	<b>2,332</b>	<b>4,469</b>
Income Tax Paid		(91)	(59)	(223)	(420)
<b>Net Cash Flows From Operating Activities</b>		<b>332</b>	<b>800</b>	<b>2,109</b>	<b>4,049</b>
<b>Cash Flows From Investing Activities:</b>					
Purchase of Plant and Equipment		(53)	(56)	(143)	(365)
Redemption of Investment		-	70	148	173
Other Financial Assets		(100)	-	(300)	(72)
Payment for Development Costs		(36)	(137)	(157)	(313)
Interest Income Received		31	33	97	114
<b>Net Cash Flows Used in Investing Activities</b>		<b>(158)</b>	<b>(90)</b>	<b>(355)</b>	<b>(463)</b>
<b>Cash Flows From Financing Activities:</b>					
Dividend Paid by a Subsidiary to Non-Controlling Interest		0	1	(160)	(321)
Dividend Paid to Equity Owners	8	(399)	(399)	(399)	(399)
Cash Restricted in Use		(1)	152	(5)	157
Repayment of Interest Bearing Borrowings		(127)	(106)	(392)	(482)
Lease liabilities principal portion paid		(75)	(38)	(255)	(106)
Interest Expenses Paid		(21)	(28)	(76)	(93)
<b>Net Cash Flows Used in Financing Activities</b>		<b>(623)</b>	<b>(418)</b>	<b>(1,287)</b>	<b>(1,244)</b>
<b>Net Change in Cash and Cash Equivalents</b>		<b>(449)</b>	<b>292</b>	<b>467</b>	<b>2,342</b>
<b>Cash and Cash Equivalents at Beginning of the Financial Year (Note 1)</b>		<b>11,086</b>	<b>9,090</b>	<b>10,536</b>	<b>7,398</b>
<b>Effect of Exchange Rate Changes On Cash and Cash Equivalents</b>		<b>55</b>	<b>302</b>	<b>(311)</b>	<b>(56)</b>
<b>Cash and Cash Equivalents At End of the Financial Period/Year (Note 1)</b>		<b>10,692</b>	<b>9,684</b>	<b>10,692</b>	<b>9,684</b>

Explanatory Notes:

Note 1

	Group	
	9 months ended 30 September	
	2021	2020
	S\$'000	S\$'000
Cash and bank balances per statement of financial position	13,231	12,124
Less: Restricted Deposits	(2,466)	(2,440)
Cash and cash equivalents per consolidated statement of cash flows	<b>10,692</b>	<b>9,684</b>

## E. Notes to the condensed interim consolidated financial statements

### 1. Corporate information

Captii Limited (the company) is incorporated in Singapore with limited liability. It is listed on Singapore Exchange Securities Trading Limited ("SGX-ST"). These condensed interim consolidated financial statements as at and for the nine months ended 30 September 2021 comprise the Company and its subsidiaries (collectively, the Group). The primary activities of the Company are those of investment holding and the provision of management services.

The principal activities of the Group are:

- a) Distribution of information technology and telecommunications products, research and development, software engineering, system integration, project management, and maintenance and support services for the telecommunications industry.
- b) Providing money lending services, credit profiling, pay-later solutions, and/or other incidental/relevant businesses to any telecommunications operators, service providers, enterprises, or entities of any descriptions.
- c) Provision of global roaming quality of services management solutions.
- d) Undertake investment in technology companies.
- e) Investment holding and the provision of management services.

### 2. Basis of Preparation

The condensed interim financial statements for the nine months ended 30 September 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

#### 2.1. New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

#### 2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- \* Note 13 – Classification of investment property

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- \* Note 10 – fair value of unquoted investments
- \* Note 11 – impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts
- \* Note 13 – determination of fair value of investment property using significant unobservable inputs

### 3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

### 4. Segment and revenue information

The Group is organised into the following main business segments:

- \* Unifiedcomms – Segment for content-driven mobile VAS, messaging and signaling systems, solutions and managed services.
- \* GlobeOSS – Segment for mobile network operation support systems, solutions and managed services.
- \* Captii Ventures – Segment for strategic investment in early and late-stage technology ventures.
- \* Others – Segment for investment holding and operational headquarters of the group.

These operating segments are reported in a manner consistent with internal reporting provided to those who are responsible for allocating resources and assessing performance of the operating segments.

#### 4.1. Reportable segments

##### Financial period ended 30 September 2021

	Unifiedcomms S\$'000	GlobeOSS S\$'000	Captii Ventures S\$'000	Others S\$'000	Elimination S\$'000	Group S\$'000
<b>Revenue:</b>						
-external	11,211	5,491	-	-	-	16,702
-inter-segment	-	407	-	148	(555)	-
<b>Revenue from external parties</b>	<b>11,211</b>	<b>5,898</b>	<b>-</b>	<b>148</b>	<b>(555)</b>	<b>16,702</b>
Cost of Sales	(5,688)	(3,107)	-	(42)	406	(8,431)
<b>Gross Profit</b>	<b>5,523</b>	<b>2,791</b>	<b>-</b>	<b>106</b>	<b>(149)</b>	<b>8,271</b>
<b>Other Items of Income:</b>						
Interest Income	37	60	-	-	-	97
Other Gains	44	10	84	50	(111)	77
<b>Other Item of Expenses:</b>						
Technical Support Expenses	(1,932)	(1,359)	-	(47)	(7)	(3,345)
Distribution Costs	(619)	(477)	-	-	5	(1,091)
Administrative Expenses	(828)	(350)	(68)	(678)	269	(1,655)
Other Losses	(42)	(20)	(237)	(1)	52	(248)
Finance Costs	(64)	(12)	-	-	-	(76)
<b>Profit/(Loss) Before Income Tax</b>	<b>2,119</b>	<b>643</b>	<b>(221)</b>	<b>(570)</b>	<b>59</b>	<b>2,030</b>
Income Tax Expenses	(384)	(141)	-	(3)	-	(528)
<b>Profit/(Loss), Net of Tax</b>	<b>1,735</b>	<b>502</b>	<b>(221)</b>	<b>(573)</b>	<b>59</b>	<b>1,502</b>
<b>Profit/(Loss) for the Period Attributable to:</b>						
Owners of the Company	1,735	255	(221)	(573)	59	1,255
Non-Controlling Interest	-	247	-	-	-	247
<b>Profit/(Loss) for the period</b>	<b>1,735</b>	<b>502</b>	<b>(221)</b>	<b>(573)</b>	<b>59</b>	<b>1,502</b>
<b>Other information</b>						
Depreciation of Plant and Equipment	(396)	(74)	-	(1)	-	(471)
Depreciation of Right-of-use assets	(186)	(70)	-	-	-	(256)
Amortisation of Intangible Assets	(518)	-	-	-	272	(246)
Fair Value Loss on Investments	-	-	(236)	-	-	(236)
Other Segment Items						
Capital Expenditure						
- Plant and Equipment	141	2	-	-	-	143
- Development Costs	157	-	-	-	-	157
<b>Financial period ended 30 September 2021</b>						
Segment Assets	33,039	13,191	11,877	53,848	(58,943)	53,012
Unallocated Assets						1,065
<b>Consolidated Total Assets</b>						<b>54,077</b>
Segment Liabilities	9,402	1,879	10,699	7,270	(22,522)	6,728
Unallocated Liabilities						6
<b>Consolidated Total Liabilities</b>						<b>6,734</b>



#### 4.1 Reportable segments (continued)

##### Financial period ended 30 September 2020

	Unifiedcomms S\$'000	GlobeOSS S\$'000	Captii Ventures S\$'000	Others S\$'000	Elimination S\$'000	Group S\$'000
<b>Revenue:</b>						
-external	8,679	7,074	-	-	-	15,753
-inter-segment	-	399	-	155	(554)	-
	<b>8,679</b>	<b>7,473</b>	<b>-</b>	<b>155</b>	<b>(554)</b>	<b>15,753</b>
Cost of Sales	(3,879)	(4,186)	-	(41)	401	(7,705)
<b>Gross Profit</b>	<b>4,800</b>	<b>3,287</b>	<b>-</b>	<b>114</b>	<b>(153)</b>	<b>8,048</b>
<b>Other Items of Income:</b>						
Interest Income	44	70	-	-	-	114
Other Gains	75	55	85	11	(115)	111
<b>Other Item of Expenses:</b>						
Technical Support Expenses	(1,764)	(1,216)	-	(56)	-	(3,036)
Distribution Costs	(606)	(420)	-	-	-	(1,026)
Administrative Expenses	(674)	(316)	(45)	(704)	181	(1,558)
Other Losses	(65)	(31)	(2,169)	(1)	88	(2,178)
Finance Costs	(85)	(8)	-	-	-	(93)
<b>Profit/(Loss) Before Income Tax</b>	<b>1,725</b>	<b>1,421</b>	<b>(2,129)</b>	<b>(636)</b>	<b>1</b>	<b>382</b>
Income Tax Expenses	(155)	(273)	-	(7)	-	(435)
<b>Profit/(Loss), Net of Tax</b>	<b>1,570</b>	<b>1,148</b>	<b>(2,129)</b>	<b>(643)</b>	<b>1</b>	<b>(53)</b>
<b>Profit/(Loss) for the Period Attributable to:</b>						
Owners of the Company	1,570	585	(2,129)	(643)	1	(616)
Non-Controlling Interest	-	563	-	-	-	563
<b>Profit/(Loss) for the period</b>	<b>1,570</b>	<b>1,148</b>	<b>(2,129)</b>	<b>(643)</b>	<b>1</b>	<b>(53)</b>
<b>Other information</b>						
Depreciation of Plant and Equipment	(402)	(79)	-	(2)	-	(483)
Depreciation of Right-of-use assets	(42)	(66)	-	-	-	(108)
Amortisation of Intangible Assets	(538)	-	-	-	205	(333)
Fair Value Loss on Investments	-	-	(2,170)	-	-	(2,170)
Other Segment Items						
Capital Expenditure						
- Plant and Equipment	180	185	-	-	-	365
- Development Costs	313	-	-	-	-	313

##### Financial year ended 31 December 2020

Segment Assets	33,300	13,425	11,811	53,260	(58,691)	53,105
Unallocated Assets						921
<b>Consolidated Total Assets</b>						<b>54,026</b>
Segment Liabilities	9,196	2,320	10,412	7,133	(21,942)	7,119
Unallocated Liabilities						6
<b>Consolidated Total Liabilities</b>						<b>7,125</b>

## 4.2. Disaggregation of Revenue

The Group's revenue can be divided into revenue generated from two types of contracts, as described below:

(a) System sales – this refers to contracts that involve the outright purchase by customers of systems comprising the group's products and technologies, and where these systems are in turn delivered as turnkey solutions. The scope of work for a system sale contract includes system design, implementation, testing and commissioning services.

(b) Managed services – this refers to contracts that involve the provision of both systems comprising the Group's products and technologies as well as the Group's professional services, on a recurring, revenue sharing, software-as-a-service, pay-per-use or monthly or quarterly fixed and variable fee basis. Also treated as managed service contracts are system maintenance and technical support contracts with existing customers of the Group.

### Financial period ended 30 September 2021

	Unifiedcomms S\$'000	GlobeOSS S\$'000	Captii Ventures S\$'000	Others S\$'000	Elimination S\$'000	Group S\$'000
<b>Types of goods or service:</b>						
-System Sales	1,091	3,139	-	-	-	4,230
-Managed Service	10,120	2,352	-	-	-	12,472
<b>Total Revenue</b>	<b>11,211</b>	<b>5,491</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,702</b>

All the contracts are less than 12 months, and majority of the contracts are recognised over time. Customers are mainly companies in the telecommunication industry.

### Geographical information:

-South East Asia #	10,848	5,491	-	-	-	16,339
-South Asia	212	-	-	-	-	212
-Middle East & Africa	151	-	-	-	-	151
-Others	-	-	-	-	-	-
	<b>11,211</b>	<b>5,491</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,702</b>

### (#) South East Asia included

-Singapore	378	-	-	-	-	378
-Malaysia	10,045	4,139	-	-	-	14,184
-Others	425	1,352	-	-	-	1,777
	<b>10,848</b>	<b>5,491</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,339</b>

### Financial period ended 30 September 2020

	Unifiedcomms S\$'000	GlobeOSS S\$'000	Captii Ventures S\$'000	Others S\$'000	Elimination S\$'000	Group S\$'000
<b>Types of goods or service:</b>						
-System Sales	918	3,172	-	-	-	4,090
-Managed Service	7,761	3,902	-	-	-	11,663
<b>Total Revenue</b>	<b>8,679</b>	<b>7,074</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,753</b>

All the contracts are less than 12 months, and majority of the contracts are recognised over time. Customers are mainly companies in the telecommunication industry.

### Geographical information:

-South East Asia #	7,974	7,070	-	-	-	15,044
-South Asia	266	-	-	-	-	266
-Middle East & Africa	439	-	-	-	-	439
-Others	-	4	-	-	-	4
	<b>8,679</b>	<b>7,074</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,753</b>

### (#) South East Asia included

-Singapore	568	-	-	-	-	568
-Malaysia	6,936	5,833	-	-	-	12,769
-Others	470	1,237	-	-	-	1,707
	<b>7,974</b>	<b>7,070</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,044</b>

Revenue contribution from a single region is disclosed separately when it exceeds 20% of the Group's revenue.

## 5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 September 2021 and 31 December 2020:

	Note	Group		Company	
		As at	As at	As at	As at
		30/9/2021	31/12/2020	30/9/2021	31/12/2020
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Financial Assets</b>					
Financial assets at fair value through profit or loss	9	11,769	11,770	-	-
Cash and bank balances and trade and other receivables (Amortised cost)		25,032	23,123	10,207	9,667
		<b>36,801</b>	<b>34,893</b>	<b>10,207</b>	<b>9,667</b>
<b>Financial Liabilities</b>					
Trade and other payables and borrowings (Amortised cost)		<b>4,963</b>	<b>5,770</b>	<b>2,218</b>	<b>2,506</b>

## 6. Profit before taxation

6.1. Significant items	Group		Group	
	Quarter ended 30 September		9 months ended 30 September	
	Q3 2021	Q3 2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Profit before income tax is stated after (charging)/crediting the following items:</b>				
Fair Value Loss on Investments	-	(643)	(236)	(2,170)
Loss on Disposal of Plant and Equipment	0	-	(0)	(1)
Foreign Exchange (Loss)/Gain, net	(64)	(150)	64	8
Amortisation of Intangible Assets	(72)	(118)	(246)	(333)
Depreciation of Plant and Equipment	(154)	(163)	(471)	(483)
Depreciation of Right-of-use assets	(85)	(39)	(256)	(108)
Plant and Equipment Written-Off	0	-	(0)	(3)

## 6.2. Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

## 7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group		Group	
	Quarter ended 30 September		9 months ended 30 September	
	Q3 2021	Q3 2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Components of tax expense recognised in profit and loss include:</b>				
Current Tax Expenses	(313)	28	(621)	(288)
Deferred Tax Income	150	(93)	150	(93)
Overseas Withholding Tax Expenses	(19)	(21)	(57)	(54)
<b>Total Income Tax Expenses</b>	<b>(182)</b>	<b>(86)</b>	<b>(528)</b>	<b>(435)</b>

## 8. Dividends

	Group	
	9 months ended 30 September	
	2021	2020
	S\$'000	S\$'000
<b>Ordinary dividends paid:</b>		
Interim exempt 2021 dividend of 1.25 cents per share (2020: Interim exempt 2020 dividend of 1.25 cents per share)	(399)	(399)

## 9. Net Asset Value

	As at 30/9/2021	As at 31/12/2020	As at 30/9/2021	As at 31/12/2020
	Group cents	Group cents	Company cents	Company cents
Net asset value per ordinary share <sup>(1)</sup>	131.86	130.56	133.91	131.25

<sup>(1)</sup> For comparative purposes, the net asset value per ordinary share of the Group and the Company has been computed based on the net asset value of the Group and the Company attributable to owners of the Company at the relevant financial year and the existing issued share capital of 31,957,264 shares.

## 10. Other Financial assets

Financial assets at fair value through profit or loss comprise the following:

	Group	
	As at	As at
	30/9/2021	31/12/2020
	S\$'000	S\$'000
Balance is made up of:		
Unquoted investments at fair value through profit or loss	11,769	11,770

## 10.1. Fair value measurement

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- Inputs for the assets or liability which are not based on observable market data (unobservable inputs) (Level 3)

For fair value measurements (Level 3) recognised in the statement of financial position, the group adopted the following valuation methodologies in estimating the fair values of the investments:

- Cost approach;
- Option Pricing Model; and
- Implied Enterprise Value

The Group has the policy to regularly assess and evaluate the appropriate valuation methodologies in ascertaining the fair value of the investments.

The following table presented the assets measured at fair value:

	Level	Group	
		As at	As at
		30/9/2021	31/12/2020
		S\$'000	S\$'000
<b>Enterprise Application Technology</b>			
Unquoted convertible preference shares in Singapore	3	3,004	3,335
Unquoted convertible loan notes in Singapore	3	4,242	4,040
Unquoted convertible preference shares in Malaysia	3	497	504
Unquoted convertible preference shares in Indonesia	3	3,005	2,935
<b>Marketplace Technology</b>			
Unquoted convertible preference shares in Singapore	3	714	614
Unquoted convertible preference shares in Indonesia	3	-	16
Unquoted convertible preference shares in Korea	3	307	326
<b>Total Other Financial Assets</b>		<b>11,769</b>	<b>11,770</b>

## 11. Intangible Assets

	Group			
	Deferred development costs	Intellectual property	Goodwill	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<b>At 31 December 2020</b>				
Cost	9,299	17	10,561	19,877
Accumulated amortisation and impairment	(8,404)	(17)	(500)	(8,921)
Net book amount	<b>895</b>	-	<b>10,061</b>	<b>10,956</b>
<b>9 months ended 30 September 2021</b>				
Opening net book amount	895	-	10,061	10,956
Additions	157	-	-	157
Amortisation charge	(246)	-	-	(246)
Foreign exchange adjustments	(30)	-	(144)	(174)
Closing net book amount	<b>776</b>	-	<b>9,917</b>	<b>10,693</b>
<b>At 30 September 2021</b>				
Cost	9,296	17	10,410	19,723
Accumulated amortisation and impairment	(8,520)	(17)	(493)	(9,030)
Net book amount	<b>776</b>	-	<b>9,917</b>	<b>10,693</b>

### 11.1 Deferred development costs

Deferred development costs mainly comprise staff costs, operating expenses and depreciation expenses for the development of the group's proprietary software and these have an average remaining amortisation period of 2 years (2020: 2 years).

### 11.2 Intellectual property

Intellectual property comprises rights and titles relating to mobile software.

### 11.3 Goodwill

Goodwill acquired through business combination has been allocated to its subsidiaries, Unified Communications Pte Ltd, Postpay Asia Sdn Bhd, Postpay Sdn Bhd, Postpay Technology Sdn Bhd, Adzentrum Sdn Bhd, Unified Communications (Private) Limited and Ahead Mobile Sdn Bhd for the purpose of impairment testing. The carrying amount is disclosed above.

An impairment loss is the amount by which the carrying amount of an asset or a cash-generating unit ("CGU") exceeds its recoverable amount. The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal or its value-in-use. The recoverable amount of the CGU has been measured based on the value-in-use method.

The value-in-use was determined by management using discounted cash flows to be generated from the continuing use of the CGU. Value in use as at 30 September 2021 was determined similarly to the 31 December 2020 goodwill impairment test, and was based on the following key assumptions:

Unobservable inputs	As at	As at
	30/9/2021	31/12/2020
Estimated discount rates that reflect current market assessments at the risks specific to the CGU	13.09%	13.09%
Growth rates based on management estimate forecasts and not exceeding the average long-term growth rate for the relevant markets	2%	2%
Cash flow forecasts derived from the most recent financial budgets and plans approved by management	5 Years	5 Years

The value-in-use is a recurring fair value measurement (Level 3).

Management also performed sensitivity analysis over the key inputs above and noted that no reasonably possible change in any of these inputs would cause the recoverable amount of the CGU to fall below its carrying amount.

## 12. Plant and Equipment

	Group			
	Computers, telecommunication s, research and development equipment	Office equipment, furniture, motor vehicle and renovation	Right-of-use assets	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<b>At 31 December 2020</b>				
Cost	9,492	258	1,257	11,007
Accumulated amortisation and impairment	(8,280)	(26)	(247)	(8,553)
Net book amount	<b>1,212</b>	<b>232</b>	<b>1,010</b>	<b>2,454</b>
<b>9 months ended 30 September 2021</b>				
Opening net book amount	1,212	232	1,010	2,454
Additions	142	1	-	143
Depreciation charge	(433)	(38)	(256)	(727)
Foreign exchange adjustments	(22)	(3)	(13)	(38)
Closing net book amount	<b>899</b>	<b>192</b>	<b>741</b>	<b>1,832</b>
<b>At 30 September 2021</b>				
Cost	9,529	250	1,244	11,023
Accumulated depreciation and impairment	(8,630)	(58)	(503)	(9,191)
Net book amount	<b>899</b>	<b>192</b>	<b>741</b>	<b>1,832</b>

During the nine months ended 30 September 2021, the Group acquired assets amounting to S\$143,000 (30 September 2020: S\$365,000).

## 13. Investment Property

The Group's investment property represents a commercial property, held for long-term rental yield and/or capital appreciation and is not substantially occupied by the Group.

	Group	
	As at	As at
	30/9/2021	31/12/2020
	S\$'000	S\$'000
<b>Cost</b>		
Beginning of financial year	2,611	2,605
Currency translation differences	(37)	6
End of interim period / year	2,574	2,611
<b>Fair value movement</b>		
Beginning of financial year	305	304
Currency translation differences	(4)	1
End of interim period / year	301	305
<b>Net book value</b>	<b>2,273</b>	<b>2,306</b>

### 13.1 Valuation

The fair value of the investment property was measured at the end of every year based on the highest and best use method to reflect the actual market state and circumstances as of the end of the reporting year. The fair value was based on a valuation made by an external, independent and qualified professional valuer. There has been no change to the valuation technique during the year.

For fair value measurements categorised within Level 3 of the fair value hierarchy, a description of the valuation techniques and the significant other observable inputs used in the fair value measurement are as follows

Valuation technique for recurring fair value measurements	Comparison with market evidence of recent transaction prices for similar properties.
Significant observable inputs	Price per square foot. S\$286
Sensitivity on management's estimates – 10% variation from estimate	Impact – lower by S\$231,000; higher by S\$231,000

#### 14. Borrowings

	Group	
	As at	As at
	30/9/2021	31/12/2020
	S\$'000	S\$'000
<b>Amount repayable within one year or on demand</b>		
Secured	522	970
Unsecured	-	-
<b>Amount repayable after one year</b>		
Secured	-	-
Unsecured	-	-

#### Details of any collateral

The company has issued financial guarantee to the financial institutions for the following facilities granted to the Group's subsidiaries:-

- 1) A facility with outstanding amount of S\$449,000 (2020: S\$853,000), that is secured by an asset of the subsidiary and corporate guarantee of the company of S\$2,922,000 (2020: S\$2,965,000);
- 2) A facility with outstanding amount of Nil (2020: Nil), that is secured by fixed deposits of the subsidiary amounting to approximately S\$2,328,000 and covered by a personal guarantee of a director of the subsidiary, and corporate guarantee of the company of S\$1,325,000 (2020: S\$2,016,000); and
- 3) A facility with outstanding amount of S\$73,000 (2020: S\$117,000), that is secured by an asset of the subsidiary and corporate guarantee of the company of S\$1,299,000 (2020: S\$1,318,000).

As at the end of the financial period/year, the outstanding facilities covered by the guarantee were S\$522,000 (2020: S\$970,000).

#### 15. Share Capital

	30/9/2021		31/12/2020	
	Number of shares	Amount	Number of shares	Amount
	000	S\$'000	000	S\$'000
<b>Group and Company</b>				
Ordinary shares of no par value:				
Balance at beginning and end of the period/year	31,957	31,948	31,957	31,948

The Company did not hold any treasury shares as at 30 September 2021.

The Company's subsidiaries do not hold any shares in the Company as at 30 September 2021 and 31 December 2020.

#### 16. Expected credit loss allowance on receivables

There has been no change to the expected credit losses approach and assumptions as compared to previous financial year. As at 30 September 2021. No significant loss allowance was provided for the reporting period.

#### 17. Litigation

On 6 September 2019, the Group announced that a writ of summons and statement of claim ("Writ") has been issued by its associated company, OOPA Pte Ltd ("OOPA") against (i) Mr Bui Sy Phong; (ii) Telio Pte Ltd (as a nominal defendant), a Singapore incorporated company of which Mr Bui is a sole shareholder. Under the Writ, OOPA is claiming against Mr Bui, for inter alia, the following:

- a) 100% of the shares in Telio and/or such associated company of Telio;
- b) An order that Mr Bui compensates OOPA in equity for breaches of director's duties owed by him to OOPA; and
- c) An account of profits received pursuant to the breaches of director's duties owed by him to OOPA.

On 17 June 2021, the Group announced that the High Court had on 16 June 2021 issued a judgment in favour of OOPA in relation to Suit No 885 of 2019 filed by OOPA against Mr. Bui.

On 18 June 2021, the Group announced that Mr. Bui had on 17 June 2021 filed an appeal against the decision of the High Court to the Appellate Division of the High Court of Singapore.

On 26 October 2021, the Group announced that a deed of settlement entered into between OOPA, Mr. Bui and Telio had on 25 October 2021, OOPA and Mr. Bui have come to a full and final settlement of all claims in connection with, relating to, or arising out of the subject matter of the Suit.

The Group will make further announcements on any material developments on the above.

#### 18. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

## OTHER INFORMATION

### 1. Review

The condensed consolidated statement of financial position of Captii Limited and its subsidiaries as at 30 September 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the nine-month period then ended and certain explanatory notes have not been audited or reviewed.

### 2. Review of performance of the Group

#### **2.1 Review of performance of the Group for the third quarter ended 30 September 2021 as compared to corresponding quarter ended 30 September 2020**

##### *Group Revenue*

The Group recorded consolidated revenue of S\$5.786 million for the quarter ended 30 September 2021 ("Q3 2021"), an increase of 16.2% against the revenue recorded in the corresponding quarter ended 30 September 2020 ("Q3 2020"). The increase in Group revenue for Q3 2021 is attributable to the improved revenue performance of Unifiedcomms.

Unifiedcomms posted revenue of S\$3.914 million in Q3 2021, an increase of 29.9% from the S\$3.012 million recorded in Q3 2020. This improvement in revenue was mainly driven by higher revenue from managed service contracts.

GlobeOSS however recorded revenue of S\$1.872 million in Q3 2021, a slight decrease of 4.9% from the S\$1.968 million recorded in Q3 2020. This decrease in revenue was mainly due to the decrease in managed service contract revenues which had more than offset the increase in system sale contract revenues.

The Group's sales mix in Q3 2021 showed a decrease in the proportionate contribution of revenue of a recurring nature, with revenue from managed service contracts representing 75% of the Group's total revenue in Q3 2021 as compared to 77.5% in Q3 2020. The lower contribution of managed service contracts to the Group's sales mix in Q3 2021 is attributable to the improvement in system sale contract revenues of the Group, which increased 29% from S\$1.122 million in Q3 2020 to S\$1.447 million in Q3 2021.

##### *Group Gross Profit and Gross Profit Margins*

The Group posted gross profit of S\$2.795 million in Q3 2021, an increase of 3.8% from the S\$2.692 million recorded in Q3 2020. The increase in Group gross profit for Q3 2021 is due to the flow-down effect of higher Group revenue. Gross profit margin was however lower at 48.3% as compared to 54.1% in Q3 2020.

The decrease in Group gross profit margin is mainly attributable to the lower gross profit margin recorded on the Group's system sale contract revenues, which decreased to 49.6% in Q3 2021 from 61% in Q3 2020. This decrease in system sale contract gross profit margin is mainly attributable to the higher proportionate contribution of system sale contract revenues at GlobeOSS, which generally yields lower gross profit margin as a result of its typically high third party costs. In addition, GlobeOSS system sale contracts delivered lower gross profit margin in Q3 2021, due to higher third-party component costs incurred in the current quarter.

Gross profit margin recorded by the Group on its managed service contract revenues decreased to 47.9% in Q3 2021 from 52% in Q3 2020. This decrease in gross profit margin was mainly due to higher third-party costs on certain managed service contracts.

##### *Interest Income*

The Group recorded slightly lower interest income of S\$0.031 million as compared to S\$0.033 million recorded in Q3 2020.

##### *Other gains and Other item of Expense*

The Group recorded net expenses of S\$2.184 million in Q3 2021, 17.4% lower than the S\$2.643 million incurred in Q3 2020. This is mainly attributable to:-

- \* Absence of fair value loss assessed on the Group's venture investment portfolio in the current quarter as compared to fair value loss of S\$0.643 million recorded in Q3 2020; and
- \* Lower foreign exchange loss of S\$0.064 million in the current quarter as a result of an unfavourable exchange movement of PKR against SGD in Q3 2021.

The above improvement was partly offset by higher expenses recorded in overall operating expenses as a result of higher payroll cost, the absence of COVID-19 related government subsidy allowances received in the current quarter, and higher professional fees incurred.

##### *Net Profit/(Loss) and EBITDA*

The Group recorded net profit of S\$0.46 million and EBITDA of S\$0.943 million in Q3 2021 as compared to S\$0.004 million in net loss and S\$0.397 million in EBITDA in Q3 2020. The higher net profit and EBITDA achieved in Q3 2021 was due to the flow-down effects of the higher revenue and lower operating expenses recorded in Q3 2021, though partly offset by lower gross profit margin.

2. Review of performance of the Group (continued)

2.1 Review of performance of the Group for the third quarter ended 30 September 2021 as compared to corresponding quarter ended 30 September 2020 (continued)

Detailed Segmental Breakdown of Group Revenue and Gross Profit

The detailed segmental breakdown of the Group's revenue and gross profit for Q3 2021, together with comparative results for Q3 2020 is provided below:

Table 2.1: Group consolidated revenue as analysed by business unit for the quarter ended 30 September

	Q3 2021 S\$'000	Sales mix %	Q3 2020 S\$'000	Sales mix %
Unifiedcomms	3,914	67.6	3,012	60.5
GlobeOSS	1,872	32.4	1,968	39.5
Captii Ventures	-	-	-	-
Others	-	-	-	-
<b>Total</b>	<b>5,786</b>	<b>100.0</b>	<b>4,980</b>	<b>100.0</b>

Table 2.2: Group consolidated revenue as analysed by contract type for the quarter ended 30 September

External Sales	Q3 2021			Q3 2020		
	System Sale (1)	Managed Service (2)	Group	System Sale (1)	Managed Service (2)	Group
Revenue	1,447	4,339	5,786	1,122	3,858	4,980
Gross Profit	717	2,078	2,795	684	2,008	2,692
Gross Profit (%)	49.6%	47.9%	48.3%	61.0%	52.0%	54.1%



## 2. Review of performance of the Group (continued)

### 2.2 Review of performance of the Group for the nine months ended 30 September 2021 as compared to corresponding financial period ended 30 September 2020

#### *Group Revenue*

The Group recorded consolidated revenue of S\$16.702 million for the nine months ended 30 September 2021 ("9M 2021"), an increase of 6% against the revenue recorded in the corresponding period ended 30 September 2020 ("9M 2020"). This increase in Group revenue for 9M 2021 is attributable to the improved revenue performance of Unifiedcomms.

Unifiedcomms posted revenue of S\$11.211 million in 9M 2021, an increase of 29.2% from the S\$8.679 million recorded in 9M 2020. This improvement in revenue was mainly driven by higher revenue from system sale and managed service contracts.

GlobeOSS however recorded revenue of S\$5.491 million in 9M 2021, a decrease of 22.4% from the S\$7.074 million recorded in 9M 2020. This decrease in revenue was due to lower managed service contract revenues.

The Group's sales mix in 9M 2021 showed a marginal increase in the proportionate contribution of revenue of a recurring nature, with revenue from managed service contracts representing 74.7% of the Group's total revenue in 9M 2021 as compared to 74.0% in 9M 2020. The higher contribution of managed service contracts to the Group's sales mix in 9M 2021 is mainly attributable to the increase in managed service contract revenues of the Group, which had improved by 6.9% from S\$11.663 million in 9M 2020 to S\$12.472 million in 9M 2021.

#### *Gross Profit and Gross Profit Margins*

The Group posted gross profit of S\$8.271 million in 9M 2021, a marginal increase of 2.8% from the S\$8.048 million recorded in 9M 2020. The increase in Group gross profit for 9M 2021 is due to the flow-down effect of higher Group revenue. Gross profit margin was however lower at 49.5% as compared to 51.1% in 9M 2020.

The decrease in Group gross profit margin is mainly attributable to the lower gross profit margin recorded on the Group's managed service contract revenues, which decreased to 45.2% in 9M 2021 from 50.4% in 9M 2020. This decrease in gross profit margin was mainly due to higher third-party costs on certain managed service contracts.

This impact on managed service contracts' gross profit margin was partly mitigated by higher gross profit margin recorded on the Group's system sale contract revenues, which increased to 62.4% in 9M 2021 from 53.2% in 9M 2020. This improvement in system sale contract gross profit margin is attributable to GlobeOSS system sale contracts which delivered higher gross profit margin in 9M 2021, due to lower third-party component costs incurred in the current period.

#### *Interest Income*

The Group recorded slightly lower interest income of S\$0.097 million as compared to S\$0.114 million earned in 9M 2020.

#### *Other gains and Other item of Expense*

The Group recorded net total expenses of S\$6.338 million in 9M 2021, 18.5% lower than the S\$7.78 million incurred in 9M 2020. This is mainly attributable to a lower fair value loss of S\$0.236 million assessed on the Group's venture investment portfolio in the current period, as compared to the fair value loss of S\$2.17 million recorded in 2020.

The above improvement was however partly offset by higher expenses recorded in overall operating expenses as a result of higher payroll cost, lower of COVID-19-related government subsidy allowances received in the current period, and higher professional fees incurred.

#### *Net Profit/(Loss) and EBITDA*

The Group recorded net profit of S\$1.502 million and EBITDA of S\$2.982 million in 9M 2021 as compared to S\$0.053 million in net loss and S\$1.285 million in EBITDA in 9M 2020. Higher net profit and EBITDA achieved in 9M 2021 was due to the flow-down effects of the higher revenue and lower operating expenses recorded in 9M 2021.

2. Review of performance of the Group (continued)

**2.2 Review of performance of the Group for the nine months ended 30 September 2021 as compared to corresponding financial period ended 30 September 2020 (continued)**

*Detailed Segmental Breakdown of Group Revenue and Gross Profit*

The detailed segmental breakdown of the Group's revenue and gross profit for 9M 2021, together with comparative results for 9M 2020 is provided below:

Table 2.3: Group revenue as analysed by business unit for the nine months ended 30 September

	2021 S\$'000	Sales mix %	2020 S\$'000	Sales mix %
Unifiedcomms	11,211	67.1	8,679	55.1
GlobeOSS	5,491	32.9	7,074	44.9
Captii Ventures	-	-	-	-
Others	-	-	-	-
<b>Total</b>	<b>16,702</b>	<b>100.0</b>	<b>15,753</b>	<b>100.0</b>

Table 2.4: Group revenue as analysed by contract type for the nine months ended 30 September

External Sales	2021			2020		
	System Sale (1)	Managed Service (2)	Group	System Sale (1)	Managed Service (2)	Group
Revenue	4,230	12,472	16,702	4,090	11,663	15,753
Gross Profit	2,638	5,633	8,271	2,175	5,873	8,048
Gross Profit (%)	62.4%	45.2%	49.5%	53.2%	50.4%	51.1%

## **2. Review of performance of the Group (continued)**

### **2.3 Review of the Group's financial position as at 30 September 2021 as compared to the Group's financial position as at 31 December 2020**

Non-cash current assets of the Group increased from S\$12.191 million as at 31 December 2020 to S\$12.936 million as at 30 September 2021. This 6.1% increase in non-cash current assets was mainly due to the increase in trade and other receivables as a result of higher revenue recorded for the current period.

Total non-current assets of the Group decreased from S\$28.688 million as at 31 December 2020 to S\$27.909 million as at 30 September 2021. This 2.7% marginal decrease in non-current assets is attributable to:-

- \* Decrease in the Group's MYR denominated intangible assets and investment property caused by the effect of foreign exchange movements; and
- \* On-going depreciation charges on plant and equipment.

Total liabilities of the Group decreased from S\$7.125 million as at 31 December 2020 to S\$6.735 million as at 30 September 2021. This 5.5% decrease in total liabilities is attributable to the decrease in trade and other payables and borrowings, following the repayments made in the current period.

### **2.4 Review of the Group's cash flow for the quarter and nine month ended 30 September 2021 as compared to the corresponding period ended 30 September 2020**

The Group's net cash flow from operations for Q3 2021 was S\$0.423 million, as compared to S\$0.859 million for Q3 2020, a decrease of 50.7%. This decrease was mainly due to higher working capital incurred of S\$0.52 million in the current reporting quarter, as compared to S\$0.181 million for Q3 2020.

The Group's net cash flow from operations for 9M 2021 was S\$2.332 million, as compared to S\$4.469 million for 9M 2020, a decrease of 47.8%. This decrease was primarily due to an unfavourable change in working capital of S\$0.886 million for 9M 2021, in contrast with the favourable change in working capital of S\$1.010 million for 9M 2020. This decline was mainly due to lower collections of trade receivables for 9M 2021 as compared to the corresponding period in 9M 2020.

The Group's net cash flow used in investing activities for Q3 2021 was S\$0.158 million, as compared to S\$0.09 million in Q3 2020. The higher net cash used in investing activities was mainly due to higher investment in technology companies (classified as other financial assets and an associate), as compared to Q3 2020.

The Group's net cash flow used in investing activities for 9M 2021 was S\$0.355 million, as compared to S\$0.463 million in 9M 2020. The lower net cash used in investing activities was mainly due to lower investment in plant and equipment for new managed service contracts, as compared to 9M 2020. Also lower was the investment in intangible assets. This was however, partly offset by higher investment in technology companies (classified as other financial assets and an associate), as compared to 9M 2020.

The Group's net cash flow used in financing activities for Q3 2021 was S\$0.623 million, as compared to S\$0.418 million in Q3 2020. This increase was mainly due to absence of withdrawal of restricted deposits placed as performance bonds for new system sale contracts requirement.

## **3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

No profit forecast has been issued for the financial period under review.

## **4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The COVID-19 pandemic continues to affect many countries in our Group's regions of focus, though certain territories have recently relaxed movement and travel restrictions. The uncertainty of economic recovery from the shock caused by COVID-19 and the prospect of a protracted economic slowdown or a slow recovery, especially in the Group's regions of focus, have weighed on the minds of management and the directors of the Group when considering the outlook for the remainder of the financial year.

The impact of COVID-19 on Unifiedcomms and GlobeOSS operations in the current financial year has fortunately remained minimal. This is because these businesses operate primarily in the field of telecommunications, an essential service in any economy today. In addition, Unifiedcomms and GlobeOSS businesses have been made capable of fully-functioning under a work-from-home mode of operation, well ahead of movement control restrictions or lockdown orders being enforced. The Group's primary customers in the Unifiedcomms and GlobeOSS businesses are telecommunications network operators and service providers that have continued to operate normally throughout COVID-19 restrictions, albeit remotely and through digital engagement, rather than face-to-face interaction. Contracts in-hand continue to be progressed and management of the Group are hopeful that new projects and initiatives requiring our products and services, will continue to be pursued by customers. The possibility remains however, that larger system sale contracts that have yet to be committed in the current financial year, may be further deferred, or even abandoned entirely if macroeconomic and industry conditions do not improve quickly or significantly enough. Some managed service contracts of the Group which are impacted by government restrictions or directives arising from COVID-19 policy measures, may meanwhile continue to show weaker performance.

At Captii Ventures, the Group's venture investment business, the climate for business development and funding has improved but continues to be challenging for certain start-ups in industries or business areas that continue to be severely impacted by COVID-19 related restrictions. On the positive side, one of our investees - OOPA Pte Ltd which was previously under litigation, had in the current financial year achieved a favorable outcome where the High Court issued a judgment in favour of OOPA. This has recently culminated in a deed of settlement being entered between OOPA and the relevant parties, to bring this matter to a positive conclusion for the Group. The priority at Captii Ventures for the remainder of the financial year continues to be on investment management activities that can preserve if not further improve the value of our venture investment portfolio.

Against this negative but improving macroeconomic backdrop for the future, the Group remains optimistic and will continue to work closely with customers and investees, to minimise the negative impact of COVID-19-related developments on Group financial performance. Management of the Group continues to take an active and measured approach to managing risks to protect the Group's people and assets, and will sustain these efforts until the pandemic truly resolves.

**5. Dividend information****5a. Current Financial Period Reported on**

Any dividend declared for the current financial period reported on? None

**5b. Corresponding Period of the Immediate Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? None

**5c. Date Payable**

Not applicable.

**5d. Books Closure Date**

Not applicable.

**6. Interested person transactions**

Name of the Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
	9 months ended 30 September		9 months ended 30 September	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
<b>Expenses charged by:</b>				
AESBI Power Systems Sdn Bhd *	-	110	Nil	Nil

\* A wholly-owned subsidiaries of Advance Synergy Capital Sdn. Bhd. (a wholly-owned subsidiary of Advance Synergy Berhad, the Group's ultimate holding corporation)

The Group does not require any shareholders' mandate pursuant to Rule 920 of the Listing Manual of SGX-ST.

**7. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the nine-month period ended 30 September 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors

**Wong Tze Leng**  
Executive Chairman

**Anton Syazi Ahmad Sebi**  
Executive Director

Singapore  
12 November 2021